

Main TALC

Minutes of meeting held 5 March 2015

12pm, Chartered Accountants House

Attendees:

CCAB-I: Paul Dillon (chairman), Kimberley Rowan (secretary), Brian Purcell, Sharon Burke, Julie Herlihy, Brian Keegan

Revenue: Declan Rigney, Eugene Creighton, Eamon O’Dea, Gerry Smyth, Mick Gladney, Anne Dullea, Áine Hollingsworth

ITI: David Fennell, Mark Barret, Cora O’Brien

Law Society: Caroline Devlin, James Somerville

Apologies: Enda Faughnan (CCAB-I)

1. Minutes

The minutes of the meeting held 10 December 2014 were approved.

2. Matters Arising

Reporting to professional bodies

Revenue continues their work on this matter and will report on developments when they arise.

R&D regime

Feedback from practitioners is that there are different interpretations of the new guidelines; this is particularly evident when dealing with qualifying expenditure and R&D audits. The inconsistent approach is causing uncertainty for taxpayers and practitioners and is increasing the compliance burden.

Practitioners requested protocols on R&D audit letters issuing from Revenue Districts. Revenue was also asked to review the guidelines and obtain universal agreement on their application.

Receivership guidelines

Revised guidelines were circulated for further comment by 21 March. Revisions principally concern removal of duplicated points.

3. BEPS

At the request of practitioners Revenue provided a detailed update on the work of Revenue and the Department of Finance under the BEPS project. Among the key points noted were:

- Engagement by CCAB-I and the ITI is very welcome.
- There are significant variations in the views expressed on the proposals and the influence of the larger economies is being monitored.
- The implementation of patent box regimes by other economies, delivering sector-specific low effective tax rates, may challenge the competitiveness of Ireland as a location for investment.
- There will be full consultation on development of the Knowledge Development Box regime in Ireland.
- Media and political influences cannot be ignored.

4. Exchange of Information on Cross Border Opinions/Confirmations

Revenue updated the committee on arrangements for implementing Council Directive 2011/16/EU. A draft eBrief was circulated in advance. Revenue proposes to issue the eBrief shortly and procedures will be put in place to update Revenue staff.

5. Directors Business Expenses

The Revenue position on the tax treatment of expenses and recent Revenue publications on the matter are contentious for taxpayers and practitioners.

A public consultation on the treatment of expenses; for employees and directors, is expected in the second quarter. Legislation on this matter is expected to feature in Finance Bill 2015.

Consultation on Revenue manuals dealing with the tax treatment of travel and subsistence expenses for individuals in receipt of income taxed under Schedule D Case I/II is underway at the TALC Technical forum.

6. Revenue eBriefs

Practitioners noted the significant increase recently in the number of published Revenue eBriefs. Revenue advised that part of the reason for the increase arose from the passing of the Finance Act on 23 December 2014.

7. iXBRL Detailed Trading and Profit & Loss A/C (DPL)

Practitioners raised concerns with Revenue not adequately specifying the information to be prepared for the detailed profit & loss account as part of the financial statements; Revenue advised that the issue had been discussed within the sub-group and if necessary it could be brought back to that sub-group for further discussion. Changes introduced in the recent Finance Act removed the linkage with Company Law requirements. Practitioners stated that further discussions could not usefully proceed until Revenue had clearly specified in writing their DPL requirements.

8. Organisations chart

Changes to Revenue personnel and to Revenue Divisions will be communicated to the committee.

9. Statement of strategy

The Revenue Statement of Strategy 2015 -2017 is published on the Revenue website. Among the key strategies is re development of the Revenue website and their customer service.

10. Qualifying Avoidance Disclosure “QAD”

Revenue provided an overview of the QAD legislation and the settlement window for taxpayers:

- The scheme will be managed/overseen by Revenue’s LCD.
- Normal phased payments arrangements will apply, if required.
- If a case involves fraud or evasion it will not be accepted, otherwise all cases will be considered.
- As of 5th March 2015 no payments under the scheme have been received by Revenue.
- Revenue will review on-going cases and will write to taxpayers who appear eligible to invite them to consider making a disclosure under the scheme. A copy of the letter will also issue to the tax agent.
- There is no scope to extend the deadline of 30 June.

11. Update on TALC subcommittees

A summary of the main points of discussion was circulated.

Delays in VAT registrations, particularly registrations for section 110 companies were noted by practitioners.

12. Meeting schedule

Dates for meetings for the remainder of the year were circulated; an additional date will be included in November.

13. AOB

Updated procedures for PAYE Tax Agency Services will be issued shortly; the revised procedures will cover the requirement for tax agents to retain records on behalf of clients.